

REFERENCE TITLE: appropriations; universities; resident tuition

State of Arizona  
Senate  
Fifty-fourth Legislature  
First Regular Session  
2019

## **SB 1518**

Introduced by  
Senators Carter: Bowie, Brophy McGee, Contreras, Gonzales, Navarrete,  
Peshlakai, Pratt; Representatives Bolding, Shope, Udall

AN ACT

AMENDING SECTION 15-1661, ARIZONA REVISED STATUTES; RELATING TO THE  
ARIZONA BOARD OF REGENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-1661, Arizona Revised Statutes, is amended to  
3 read:

4 15-1661. Annual appropriation; enrollment audit; expenditure;  
5 balance; salaries

6 A. There shall be appropriated in the general ~~appropriation~~  
7 ~~APPROPRIATIONS~~ bill for each fiscal year a sum of monies not less than  
8 eighty-five one-hundredths of one mill on the dollar of the assessed  
9 valuation of all taxable property in ~~the~~ THIS state ~~for the improvement TO~~  
10 ~~IMPROVE~~, support and ~~maintenance of~~ MAINTAIN the institutions under the  
11 Arizona board of regents' jurisdiction, including ~~payment of~~ PAYING  
12 salaries, ~~AND~~ current expenses, ~~purchase of~~ PURCHASING equipment, making  
13 necessary repairs, ~~construction of~~ CONSTRUCTING new buildings, ~~purchase of~~  
14 ~~PURCHASING~~ lands and in general PAYING for ~~payment of~~ all such expenses  
15 connected with ~~the management of~~ MANAGING the institutions under the  
16 Arizona board of regents' jurisdiction. The department of revenue, ~~upon~~  
17 ~~ON~~ compiling the aggregate assessed valuation of all taxable property  
18 within this state, shall compute the amount of monies so determined and  
19 certify ~~such~~ THAT amount over its seal to the department of administration  
20 and the state treasurer.

21 B. The full-time equivalent student enrollment reported for the  
22 previous fiscal year by each university shall be audited annually by the  
23 auditor general. The auditor general shall report the results of the  
24 audit to the staffs of the joint legislative budget committee and the  
25 governor's office of strategic planning and budgeting on or before October  
26 15 of each year. On or before July 21 of each academic year, each  
27 university shall provide for the previous fall semester a certified report  
28 to the auditor general of the number of full-time equivalent students  
29 calculated by the university and a separate report only for those students  
30 who meet the residency requirements prescribed in section 15-1802. The  
31 university's records used to calculate full-time equivalent student  
32 enrollment shall be provided to the auditor general in an electronic  
33 format prescribed by the auditor general. ~~Beginning in 2006,~~ Each  
34 university shall submit to the auditor general a summary of its full-time  
35 equivalent student enrollment accounting policies and procedures,  
36 compilation procedures and source records used for calculating full-time  
37 equivalent student enrollment. These accounting policies and procedures,  
38 compilation procedures and source records shall comply with policies  
39 developed ~~on or before June 30, 2006~~ by the Arizona board of regents, in  
40 consultation with the auditor general and reviewed by the joint  
41 legislative budget committee. These policies shall include a review and  
42 recommendations of the necessity of minimum requirements for students  
43 enrolled in classes to qualify for appropriations pursuant to this  
44 section, including requirements that the class be a for-credit course that  
45 is necessary for ~~the completion of~~ COMPLETING a degree and that the

1 student enrolled in the course be physically present in this state at the  
2 time the course is conducted. The basic actual full-time equivalent  
3 student enrollment shall be counted on the forty-fifth day after the basic  
4 actual full-time equivalent student enrollment classes begin for the fall  
5 and spring semesters, as published in the university catalogs, and divided  
6 by two. The Arizona board of regents shall also ~~make recommendations of~~  
7 **RECOMMEND** whether each professor or instructor should be required to  
8 review class rosters and make additions or deletions as necessary. If so,  
9 class rosters that reflect enrollment as of the forty-fifth day shall be  
10 provided by the registrar's office to each professor or instructor for  
11 every class section. The class roster shall indicate the course number,  
12 course title, time, instructor name and students enrolled. On the  
13 forty-fifth day class rosters, each professor or instructor shall indicate  
14 as withdrawn each student who has formally withdrawn from the course, and  
15 that student shall not be counted for state aid purposes. The official  
16 forty-fifth day rosters shall include a manual signature and date or an  
17 electronic authorization and date by the professor or instructor and shall  
18 include the following certification:

19 I hereby certify that the information contained in this  
20 class roster accurately reflects those students who are  
21 enrolled.

22 C. The Arizona board of regents shall also report the basic actual  
23 full-time equivalent student enrollment for only those students who meet  
24 the residency requirements prescribed in section 15-1802. The basic  
25 actual full-time equivalent student enrollment for only those students who  
26 meet the residency requirements prescribed in section 15-1802 that is  
27 reported by each university for the previous fiscal year shall be annually  
28 audited by the auditor general.

29 D. Students who have withdrawn or who have been withdrawn from  
30 classes as of the forty-fifth day shall not be counted for state aid  
31 purposes. A record shall be maintained that identifies student  
32 withdrawals by date of withdrawal, as of the forty-fifth day and after the  
33 forty-fifth day for the entire semester.

34 E. Amounts appropriated as provided by subsection A **OF THIS SECTION**  
35 shall be paid as other claims against this state are paid.

36 F. The balance of appropriations as provided by subsection A **OF**  
37 **THIS SECTION** at the end of the fiscal year, if any, ~~shall~~ **DOES** not revert  
38 to the **STATE** general fund but shall be carried forward for the continued  
39 use for which appropriated.

40 G. Monies appropriated to a university under the jurisdiction of  
41 the Arizona board of regents for ~~cost of living~~ **COST-OF-LIVING** salary  
42 increases for university employees shall be used to provide ~~cost of living~~  
43 **COST-OF-LIVING** salary increases to all university employees, including  
44 graduate student assistants. If monies are appropriated to a university  
45 for salary increases based on merit, the monies shall be used to provide

merit increases according to the merit pay plan adopted by the Arizona board of regents.

H. The Arizona board of regents shall determine current actual full-time equivalent student enrollment at each of the institutions under the jurisdiction of the Arizona board of regents. Full-time equivalent student enrollment shall be calculated by adding the following:

1. The total number of enrolled fall and spring semester credit hours in 100-level credit courses and 200-level credit courses divided by fifteen.

2. The total number of enrolled fall and spring semester credit hours in 300-level credit courses and 400-level credit courses divided by twelve.

3. The total number of enrolled fall and spring semester credit hours in ~~graduate level~~ GRADUATE-LEVEL credit courses divided by ten.

I. The Arizona board of regents, in its annual budget request, shall not include funding for any student who is enrolled at an institution under the jurisdiction of the Arizona board of regents and who has earned credit hours in excess of the undergraduate credit hour threshold, except that the undergraduate credit hour threshold ~~shall~~ DOES not apply to students who are enrolled in a degree program that requires credit hours above the credit threshold. For the purposes of this subsection, the undergraduate credit hour threshold is ~~one hundred fifty-five hours for students who attend a university under the jurisdiction of the board in fiscal year 2006-2007, one hundred fifty hours for students who attend a university under the jurisdiction of the board in fiscal year 2007-2008 and~~ one hundred forty-five hours for students who attend a university under the jurisdiction of the board ~~after fiscal year 2007-2008~~. The undergraduate credit hour threshold ~~shall be~~ IS based on the actual full-time equivalent student enrollment counted on the forty-fifth day after classes begin for the fall and spring semesters and any budget adjustment based on student enrollment shall occur in the fiscal year following the actual full-time equivalent student enrollment count. The undergraduate credit hour threshold ~~shall~~ DOES not apply to credits earned in ~~the pursuit of~~ PURSUING up to two baccalaureate degrees, credits earned in ~~the pursuit of~~ PURSUING up to two ~~state regulated~~ STATE-REGULATED licensures and certificates, credits earned in ~~the pursuit of~~ PURSUING teaching certification, credits transferred from a private institution of higher education, credits transferred from an institution of higher education in another state, credits earned at another institution of higher education but that are not accepted as transfer credits at the university where the student is currently enrolled and credits earned by students who enroll at a university under the jurisdiction of the board more than twenty-four months after the end of that student's previous enrollment at a public institution of higher education in this state.

1 J. THE FOLLOWING SUMS IN THE FOLLOWING FISCAL YEARS ARE  
2 APPROPRIATED FROM THE STATE GENERAL FUND TO THE ARIZONA BOARD OF REGENTS  
3 TO DISTRIBUTE TO UNIVERSITIES UNDER THE JURISDICTION OF THE BOARD TO FUND  
4 RESIDENT STUDENT TUITION COSTS:

5 1. IN FISCAL YEAR 2019-2020, \$102,738,300.

6 2. IN FISCAL YEAR 2020-2021, \$205,476,600.

7 3. IN FISCAL YEAR 2021-2022, \$308,214,900.

8 K. IN ADDITION TO THE OTHER REQUIREMENTS PRESCRIBED IN THIS  
9 SECTION:

10 1. IN FISCAL YEAR 2022-2023, A SUM EQUAL TO THE PRODUCT OF THE  
11 FOLLOWING IS APPROPRIATED FROM THE STATE GENERAL FUND TO THE ARIZONA BOARD  
12 OF REGENTS TO DISTRIBUTE TO UNIVERSITIES UNDER THE JURISDICTION OF THE  
13 BOARD TO FUND RESIDENT STUDENT TUITION COSTS:

14 (a) \$7,900.

15 (b) THE BASIC ACTUAL FULL-TIME EQUIVALENT STUDENT ENROLLMENT FOR  
16 ONLY THOSE STUDENTS WHO MEET THE RESIDENCY REQUIREMENTS PRESCRIBED IN  
17 SECTION 15-1802, AS REPORTED PURSUANT TO SUBSECTIONS B AND C OF THIS  
18 SECTION FOR THE IMMEDIATELY PRECEDING FISCAL YEAR.

19 2. IN FISCAL YEAR 2023-2024 AND EACH FISCAL YEAR THEREAFTER, A SUM  
20 EQUAL TO THE PRODUCT OF THE FOLLOWING IS APPROPRIATED FROM THE STATE  
21 GENERAL FUND TO THE ARIZONA BOARD OF REGENTS TO DISTRIBUTE TO UNIVERSITIES  
22 UNDER THE JURISDICTION OF THE BOARD TO FUND RESIDENT STUDENT TUITION  
23 COSTS:

24 (a) THE AMOUNT PRESCRIBED IN PARAGRAPH 1, SUBDIVISION (a) OF THIS  
25 SUBSECTION, INCREASED EACH YEAR BY A MINIMUM GROWTH RATE OF EITHER TWO  
26 PERCENT OR THE CHANGE IN THE GDP PRICE DEFLATOR, AS DEFINED IN SECTION  
27 41-563, FROM THE SECOND PRECEDING CALENDAR YEAR TO THE CALENDAR YEAR  
28 IMMEDIATELY PRECEDING THE BUDGET YEAR, WHICHEVER IS LESS, EXCEPT THAT THE  
29 AMOUNT APPROPRIATED MAY NOT BE REDUCED BELOW THE AMOUNT APPROPRIATED FOR  
30 FISCAL YEAR 2021-2022.

31 (b) THE BASIC ACTUAL FULL-TIME EQUIVALENT STUDENT ENROLLMENT FOR  
32 ONLY THOSE STUDENTS WHO MEET THE RESIDENCY REQUIREMENTS PRESCRIBED IN  
33 SECTION 15-1802, AS REPORTED PURSUANT TO SUBSECTIONS B AND C OF THIS  
34 SECTION FOR THE IMMEDIATELY PRECEDING FISCAL YEAR.